

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

October 20, 2006

Pam Grubaugh-Littig
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84114

RE: Third Quarter 2006 Inspection Report
Sunnyside Refuse Pile C/007/035

Travis
C/007/0035

Dear Pam:

Please find enclosed a copy of the Third Quarter 2006 Inspection Report for Sunnyside Cogeneration Associates' impoundments, refuse pile and excess spoil areas. The inspection was performed by a qualified SCA employee and certified by a professional engineer from Twin Peaks Engineering.

Should you have any questions, please contact Rusty Netz or myself at (435)888-4476.

Thank You,

Michael J. Blakey
Agent For
Sunnyside Cogeneration Associates

c.c. Robert Escalante
Rusty Netz
Plant File

RECEIVED

OCT 23 2006

DIV. OF OIL, GAS & MINING

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Clear Water Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Clear Water Pond	
	Impoundment Number	004	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 4.9 acre-feet Maximum Sediment Depth Elevation = 6527 Existing Sediment Elevation = 6523+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6530.1</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Clear Water Pond

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Pond had some water in it.

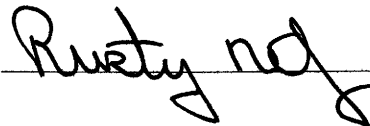
No structure or stability problems observed.

In accordance with the approved plan to construct the Excess Spoil Disposal area #2, the Slurry Ponds #1 and #2 no longer receive storm runoff. These storm flows are now routed either directly to the East Slurry Cell or to the Clear Water Pond. With the reclamation activities at Sunnyside Coal, both of these ponds have ample capacity to handle the storm flows without the Slurry Ponds in series.

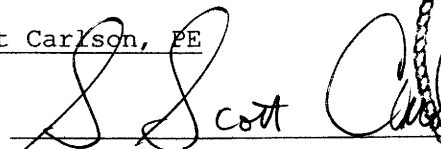
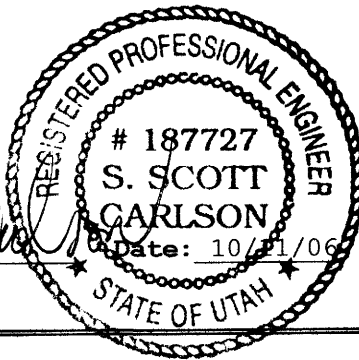
Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Clear Water Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
<p style="margin-top: 0;">None</p>			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <div style="margin-top: 20px;"> <p>By: <u>S. Scott Carlson, PE</u></p> <p>Signature: </p> <p>P.E. Number & State: <u>187727 UT</u></p> </div> <div style="text-align: right; margin-top: 10px;">  </div>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Railcut Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Railcut Sediment Pond	
	Impoundment Number	007	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 4.8 acre-feet Maximum Sediment Depth Elevation = 6209 Estimated Existing Sediment Elevation = 6207+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6212.34 Primary Drain Elevation = 6209.07 Maximum Sediment Depth Elevation = 6209.07</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Railcut Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,
no structural or hazardous conditions exist.

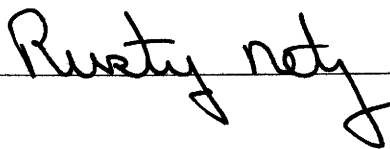
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. Pond had some water in it.
No structure or stability problems observed.

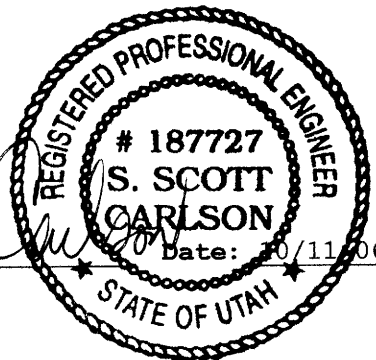
**Qualification
Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Railcut Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>		
By: <u>S. Scott Carlson, P.E.</u> Signature: <u><i>S. Scott Carlson</i></u> P.E. Number & State: <u>187727 - UT</u>			

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		OCRR Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Old Coarse Refuse Road Sediment Pond	
	Impoundment Number	008	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 0.9 acre-feet Maximum Sediment Depth Elevation = 6394.75 Estimated Existing Sediment Elevation = 6394+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6399.4 Primary Drain Elevation = 6395.75</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

OCRR Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, Pond had some water in it. inlet/outlet conditions are good,
No structural or hazardous conditions exist.

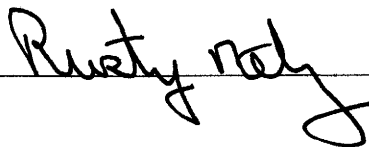
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

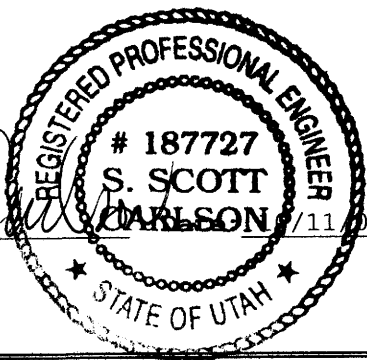
No changes, no structure or stability problems observed.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		OCRR Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
None			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>		
	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 60%;"> <p>By: <u>S. Scott Carlson P.E.</u></p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p> </div> <div style="width: 35%; text-align: center;">  </div> </div>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Pasture Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Pasture Sediment Pond	
	Impoundment Number	009	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 1.0 acre-feet Maximum Sediment Depth Elevation = 6485.5 Estimated Existing Sediment Elevation = 6484+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6490.6 Primary Drain Elevation = 6486.6</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Pasture Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it.

No discharge, inlet/outlet conditions are good,

No structural or hazardous conditions exist.

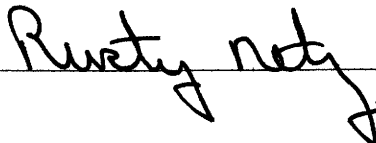
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

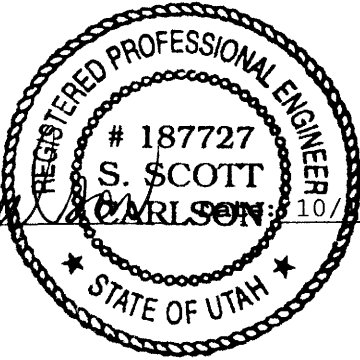
No changes. No structure or stability problems observed.

Qualification Statement

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Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Pasture Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>		
	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 60%;"> <p>By: <u>S. Scott Carlson</u> PE</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p> </div> <div style="width: 35%; text-align: center;">  </div> </div>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		CRT Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	New Coarse Refuse Toe Sediment Pond	
	Impoundment Number	012	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 1.6 acre-feet Maximum Sediment Depth Elevation = 6177.0 Estimated Existing Sediment Elevation = 6176+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6183.63 Primary Drain Elevation = 6178.2</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

CRT Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it.

No discharge, inlet/outlet conditions are good,

No structural or hazardous conditions exist.

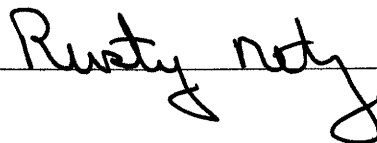
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. No structure or stability problems observed.

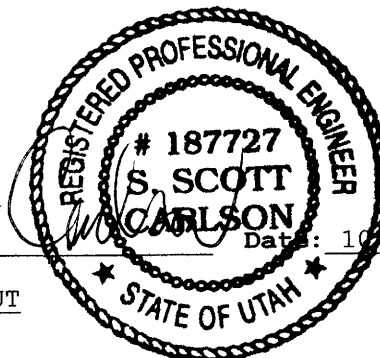
Qualification Statement

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Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		CRT Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>		
	<p>By: <u>S. Scott Carlson, PE</u></p> <p>Signature: <u><i>S. Scott Carlson</i></u> Date: <u>10/11/06</u></p> <p>P.E. Number & State: <u>187727 - UT</u></p>		



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		COAL RUNOFF POND	
Permit Number	ACT/007/035	Report Date	10/11/06
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Coal Runoff Sediment Pond	
	Impoundment Number	014	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 1.5 acre feet Maximum Sediment Depth Elevation = 6476.0 Estimated Existing Sediment Elevation = 6475±</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6477.9 Emergency Spillway Elevation = 6479.0</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

COAL RUNOFF POND

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it.

No discharge, inlet and outlet conditions are good.

No structural or hazardous conditions exist.

- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

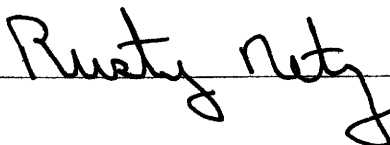
No changes.

No structure or stability problems observed.

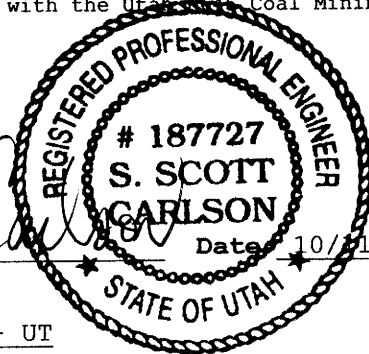
**Qualification
Statement**

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Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		COAL RUNOFF POND	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
None			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah Coal Mining Rules.</p>		
By: _____	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p style="margin: 0;">S. Scott Carlson PE</p> <p style="margin: 0;">Signature: <u><i>S. Scott Carlson</i></u></p> <p style="margin: 0;">P.E. Number & State: <u>187727 - UT</u></p> </div> <div style="flex: 1; text-align: right;"> <p style="margin: 0;">Date: <u>10/11/06</u></p> </div> </div>		



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Borrow Area Pond	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	Borrow Area Pond	
	Impoundment Number	016	
	UPDES Permit Number	UT 024759	
	MSHA ID Number	N/A	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 8.3 acre-feet Maximum Sediment Depth Elevation = 6513.3 Estimated Existing Sediment Elevation = 6511+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6517.03 Primary Drain Elevation = 6514.3</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Borrow Area Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it.

No discharge, inlet/outlet conditions are good,

No structural or hazardous conditions exist.

- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes.

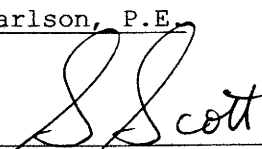
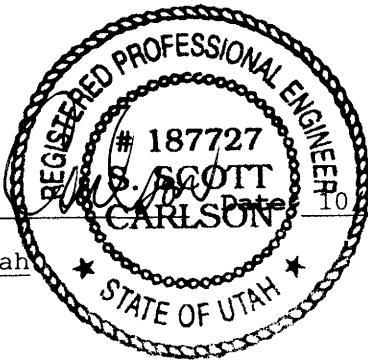
No structure or stability problems observed.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Borrow Area Pond	
CERTIFIED REPORT			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
<p style="margin-left: 40px;">none</p>			
Certification Statement:	<p>I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <div style="margin-top: 20px;"> <p>By: <u>S. Scott Carlson, P.E.</u></p> <p>Signature: <u></u></p> <p>P.E. Number & State: <u>187727 Utah</u></p> </div> <div style="margin-top: 10px; text-align: right;">  </div>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		East Slurry Cell	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	Impoundment Name	East Slurry Cell	
	Impoundment Number	N/A	
	UPDES Permit Number	N/A	
	MSHA ID Number	1211-UT-09-02093-02	
IMPOUNDMENT INSPECTION			
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 27+- acre-feet Maximum Sediment Depth Elevation = N/A Estimated Existing Sediment Elevation = N/A</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>N/A</p>		

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

East Slurry Cell

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it.
No structural or hazardous conditions exist.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

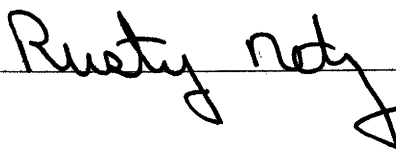
Slurry Cell is not receiving slurry from any source, currently functioning as a sediment pond and coal fine storage. No structural or stability problems observed.

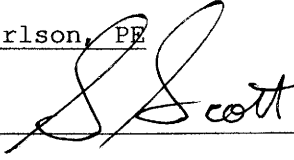
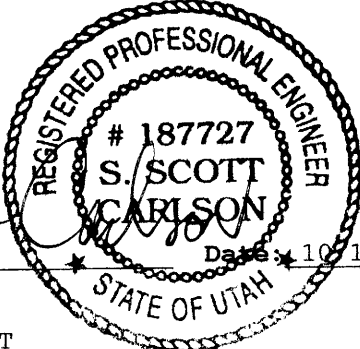
In accordance with the approved plan to construct the Excess Spoil Disposal area #2, the Slurry Ponds #1 and #2 no longer receive storm runoff. These storm flows are now routed either directly to the East Slurry Cell or to the Clear Water Pond. With the reclamation activities at Sunnyside Coal, both of these ponds have ample capacity to handle the storm flows without the Slurry Ponds in series.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

Date: 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	East Slurry Cell	
CERTIFIED REPORT		
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
COMMENTS AND OTHER INFORMATION		
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: <u>S. Scott Carlson, PE</u> Signature: <u></u> P.E. Number & State: <u>187727 - UT</u>		

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	ACT/007/035	Report Date 10/11/06
Mine Name	SUNNYSIDE REFUSE AND SLURRY	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Coarse Refuse Pile
	Pile Number	N/A
	MSHA ID Number	1211-UT-09-02093-01
Inspection Date	September 19, 2006	
Inspected By	Rusty Netz	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Field Evaluation		
1. Foundation preparation, including the removal of all organic material and topsoil. N/A		
2. Placement of underdrains and protective filter systems. N/A		
3. Installation of final surface drainage systems. N/A		
4. Placement and compaction of fill materials. N/A Removal of Coarse and fine Refuse Material Only		

INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE

Coarse Refuse Pile

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

No smokers visible

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

Waste Coal Removal

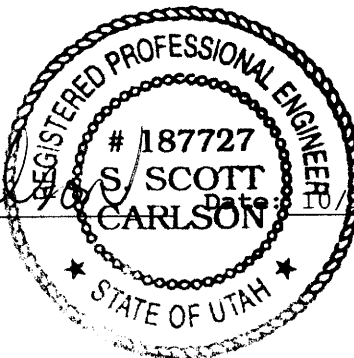
**Certification
Statement**

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

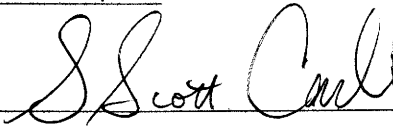
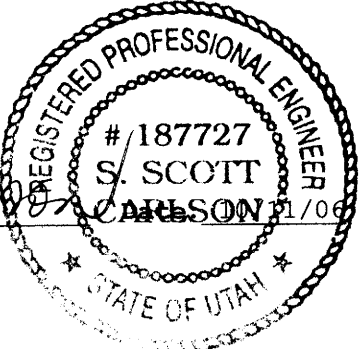
By: S. Scott Carlson, PE

Signature: *S. Scott Carlson*

P.E. Number & State: 187727 - UT



INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Excess Spoil Pile #1	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Excess Spoil Disposal Area #1	
	Pile Number	N/A	
	MSHA ID Number	1211-UT-09-02093-04	
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Field Evaluation			
1. Foundation preparation, including the removal of all organic material and topsoil. N/A			
2. Placement of underdrains and protective filter systems. N/A			
3. Installation of final surface drainage systems. N/A			
4. Placement and compaction of fill materials. Placement and compaction of fill material occurred throughout this quarter. Material consists generally of coarse refuse rejects and is being placed in general conformance with the approved plan. Approximately 16,662 tons of material were placed during the Quarter.			

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Excess Spoil Pile #1
<p>5. Final grading and revegetation of fill.</p> <p style="margin-left: 40px;">N/A</p>	
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p style="margin-left: 40px;">None</p>	
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p style="margin-left: 40px;">Construction has been proceeding in shallow lifts in general conformance with the approved plan.</p> <p style="margin-left: 40px;">No evidence exists of fires in the pile.</p>	
Certification Statement	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson, PE</u></p> <p>Signature: <u></u></p> <p>P.E. Number & State: <u>187727 - UT</u></p> <div style="text-align: right; margin-top: 20px;">  </div>

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Excess Spoil Pile #2	
Permit Number	ACT/007/035	Report Date 10/11/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Excess Spoil Disposal Area #2	
	Pile Number	N/A	
	MSHA ID Number	1211-UT-09-02093-05	
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Field Evaluation			
1. Foundation preparation, including the removal of all organic material and topsoil. Existing disturbed site. No topsoil removal is required by approved plan.			
2. Placement of underdrains and protective filter systems. Under-drains and filters are not required by approved plan. The Slurry Ponds #1 and #2 no longer receive inflows of any storm waters. The inlet culverts have been removed and storm water rerouted to other impoundments.			
3. Installation of final surface drainage systems. N/A			
4. Placement and compaction of fill materials. No additional material was placed in this disposal area during the quarter.			

INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE

Excess Spoil Pile #2

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

None

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

Both Slurry Pond #1 and Slurry Pond #2 were approved for and have been filled with coal mine waste and excess spoil in connection with construction of the Excess Spoil Disposal Area # 2. A pile is being constructed on top of the filled ponds with gentle slopes in accordance with the currently approved plan. See attached photos.

The Clearwater Pond is also part of this disposal area but will continue to function as a sediment pond until such time as it is needed as a disposal site.

**Certification
Statement**

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE

Signature: _____

P.E. Number & State: 187727 - UT

